

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

In re:)
)
BOST DISTRIBUTING CO.,) Case No. 14-05495
) (Chapter 11)
)
Debtor.)

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

In re:)
)
JAMES HARRINGTON BOST, JR.,) Case No. 14-04769
) (Chapter 11)
)
Debtor.)

**MOTION TO SELL ASSETS FREE AND CLEAR OF LIENS AND OTHER INTERESTS
WITH LIENS TO ATTACH TO PROCEEDS PURSUANT TO 11 U.S.C. § 363, TO
ESTABLISH BID PROCEDURES, AND TO APPROVE COMPROMISE**

Debtor Bost Distributing Co. (the "Company") and Debtor James Harrington Bost, Jr. ("Bost") hereby move the Court for an Order allowing a sale of substantially all of the assets of the Company, and certain assets of Bost, as set forth below, free and clear of liens and other interests in said property with liens to attach to certain proceeds pursuant to 11 U.S.C. § 363(f), to establish bid procedures, and to approve the stipulation and compromise set forth below. In support of the motion, the Company and Bost show the Court as follows:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2).

2. Bost filed a voluntary petition pursuant to Chapter 11 of the United States Bankruptcy Code on August 19, 2014. The Company filed a voluntary petition pursuant to Chapter 11 of the United States Bankruptcy Code on September 22, 2014.

The Company's Operations and Assets

3. The Company is a North Carolina corporation engaged in the business of manufacturing and selling branded food products.
4. The Company is headquartered in Sanford, North Carolina.
5. The Company operates three manufacturing facilities in North Carolina.
6. The Company's main factory is located in Sanford, North Carolina. Bost, the Company's owner and chief executive officer, owns the main factory in his individual capacity. The main factory produces canned products.
7. Bost also owns the location of the Company's second factory. The second factory produces perishable goods (primarily coleslaw).
8. The Company also operates a barbecue production facility. The Company leases the facility from a third party. Upon information and belief, the Company leases the facility month-to-month and the lease is terminable at any time.
9. In addition to the production facilities, the Company maintains two warehouse facilities used for storage of its excess machinery, packing material, various parts, furniture, fixtures, and equipment.
10. The Company employs approximately fifty employees.

The Company's Secured Debt Obligations

11. Between July 2005 and June 2010, First Bank extended eight loans to the Company.

12. On or around March 7, 2013, First Bank assigned all of its rights and interests in the above-referenced loans to Violet Portfolio LLC (“Violet”). Violet is the current holder and owner of the above-referenced loans and all related loan documents.

13. The Company’s obligations to Violet are secured by two deeds of trust on the main facility owned by Bost. Bost’s obligations to Violet are secured by an additional deed of trust on the main facility owned by Bost.

14. Bost’s obligations to Violet are also secured by two deeds of trust on the second facility owned by Bost.

15. Violet also possesses a perfected security interest in all of the Company’s assets, including inventory, equipment, general intangibles and accounts receivable (and all proceeds arising from these security interests).

16. Violet initiated foreclosure actions against all of the deeds of trust on or about September 9, 2013.

17. The Lee County Clerk of Court entered an order allowing foreclosure on October 29, 2013. The Chatham County Clerk of Court also entered an order allowing foreclosure on October 29, 2013. In each case, a foreclosure sale was scheduled for July 3, 2014.

18. Bost’s bankruptcy filing stayed the foreclosure proceedings.

19. In all of the foreclosure actions, Bost owns the subject property.

20. Capital Bank (“Capital”) also extended several loans to the Company (and entities related to the Company that were subsequently merged into the Company). Capital obtained a judgment on four of the loans owed by the Company.

21. The Company’s obligations to Capital are secured by all assets of the

Company. Capital possesses a first lien in the trademarks of the Company and, otherwise, Capital's security interests are subordinate to those of Violet.

The Company's Receivership

22. On or around December 2013, Violet filed a lawsuit against Bost, individually, and the Company seeking to recover on the unpaid loans and to obtain possession of certain personal property collateral securing the unpaid loans ("State Court Litigation").

23. On March 3, 2014, the Superior Court of Lee County appointed Trigild Incorporated ("Trigild") as receiver to operate the Company pursuant to an order entered with Bost's and the Company's consent ("Receiver Order").

24. Trigild's appointment as a receiver for the Company has not otherwise been modified, altered, or terminated by the Superior Court of Lee County.

25. A motion to approve compromise excusing Trigild from turning over property of the Company's estate and authorizing Trigild to operate the Company's business is currently pending before the Court and a proposed Consent Order has been submitted to the Court.

Terms of Proposed Sale

26. This motion is made pursuant to the provisions of Sections 363(f), 105, and 1101, *et seq.* of the Bankruptcy Code and subject to Rule 6004 of the Bankruptcy Rules of Procedure.

27. Pursuant to Section 363(f) of the Bankruptcy Code and as more fully described in the Summary of Indicative Terms attached as **Exhibit A** hereto, and a definitive purchase agreement to be negotiated and filed as a supplement to this motion as soon as

practicable, Violet and Capital or their designated assigns (Capital collectively with Violet and with any designated assigns are referred to herein as the “Buyer”) propose to purchase and the Company and Bost propose to sell: (i) as a going concern, substantially all of the Company’s assets, (ii) the assumption of certain executory contracts and leases of the Company, and (iii) the acquisition of certain real property owned by Bost and used in connection with the Company’s business, including (1) the buildings and land appurtenant thereto, located at 7819 Siler Glendale Road, Bear Creek, NC; and (2) the buildings and land appurtenant thereto located at 2205 Boone Trail Road, Sanford, NC. (the “Bost Real Property” and, collectively with the assets of the Company, the “Assets”). The contemplated acquisition of the Assets is hereafter referred to as the “Transaction.”

28. The proposed structure of the Transaction is as follows:

- a. Buyer would acquire all of the Company’s right, title and interest in the assets, property and rights, tangible and intangible (including goodwill), of the Company’s bankruptcy estate (including, without limitation, all claims and causes of action arising under Chapter 5 of the Bankruptcy Code), and the Bost Real Property including, without limitation, the assumption by the Company and then assignment to Buyer of such executory contracts and personal and real property leases related to the operation of the Company that would be identified in the Definitive Agreement (the “Designated Contracts”), for total consideration of not less than and not more than, but equal to \$4,112,100 (the “Total Consideration”), with such consideration consisting of a credit against the existing secured indebtedness of the Company to Violet of \$1,533,175, a credit against the

existing secured indebtedness of Capital of \$1,322,500, and a credit against the existing secured indebtedness of James H. Bost to Violet of \$1,200,000 (the “Credit Bid”), plus cash in the amount of \$56,425, (the “Cash Bid”) payable by Violet at closing in immediately available funds.

- b. The Credit Bid would be applied to reduce the amount of the secured claims of Violet and Capital, as applicable. In the event that Buyer acquires the Assets, upon (i) entry of an the Sale Confirmation Order (as defined below) and the expiration of any appeal period for the Sale Confirmation Order and (ii) final transfer of the Assets to Buyer, Violet and Capital would waive and release any remaining claims against the bankruptcy estate of the Company and waive and release any claims arising under guaranty agreements from Bost in favor of Violet or Capital. Any and all obligations of Bost to Violet that are secured by property other than the Bost Real Property including, without limitation, those obligations secured by the buildings and land appurtenant thereto located at 2411 Front Street, Beaufort, NC, would be expressly excluded from any waivers and releases set forth herein.
- c. The Cash Bid would be paid to the bankruptcy estate of the Company for distribution to unsecured creditors of the estate.
- d. Obligations arising from Designated Contracts following closing would be assumed; and all other liabilities would be expressly excluded (including any cure costs for pre-petition defaults) and would not be assumed by Buyer. At closing, the Assets would be transferred to the Buyer free and

clear of any and all liens, security interests, claims and other encumbrances in accordance with, and with all of the protections afforded by, Section 363 of Title 11 of the United States Code (Title 11 of the United States Code is referred to from time to time as the “**Bankruptcy Code**”);

- e. The Company would file such motions to assume and assign the Designated Contracts to the Buyer such that the assumption and assignment would occur at or before entry of an order confirming the sale of the Assets.

29. Upon information and belief, the only creditors that assert liens on Assets are Violet and Capital.

30. The Company requests that the sale of the Assets be made free and clear of any and all liens, encumbrances, claims, rights and other interests pursuant to 11 U.S.C. §363(f), including but not limited to the liens noted above.

31. Any such liens shall attach to the proceeds of sale, if any, subject to the relative priorities and in accordance with the Bankruptcy Code and any Orders entered by the Bankruptcy Court, provided, however, that the bid structure proposed by Buyer expressly carves out certain components of the bid for the payment of unsecured creditors.

Competing Bid Procedures

32. In order to secure the best possible return on the sale of the Assets, the Company and Bost propose to seek competing bids for the purchase of the Assets.

33. In the event other parties seek to bid for all of the Assets, the Company requests that the Court establish a procedure with the following provisions:

- a. Counsel for the Company and Bost shall serve a copy of the order approving this motion, setting forth the bidding procedures for the Assets, on all parties appearing on the creditors mailing matrix for the bankruptcy proceedings of both the Company and Bost. In addition, counsel for the Company, Bost, and Trigild shall deliver copies of this order to all parties that the Company, Bost, and Trigild, in their business judgment, believe may have an interest in bidding on the Assets and may be capable of making a qualified bid for the Assets;
- b. The Company, Bost, and Trigild shall allow potential interested bidders to conduct due diligence concerning the Assets in such manner and within such timeframe as the Company, Bost, and Trigild deem reasonable within their business judgment;
- c. Any party that wishes to place a competing bid shall execute and deliver an asset purchase agreement and other agreements in substantially the same form as the Definitive Agreement and its related agreements and for the same assets as are being purchased in the Definitive Agreement;
- d. Any competing bidder shall be required to place a cash deposit of not less than \$50,000.00 by 5:00 p.m. on December 29, 2014. Such deposit shall be refundable in the event the competing bidder is not the successful bidder for the Assets, otherwise, the deposit shall be applied to the sales price at closing;
- e. On or before 5:00 p.m. on December 29, 2014, competing bidders shall be required to provide evidence satisfactory to the Company, Bost, and

Trigild of an ability to close on a purchase of the Assets immediately after any such sale is approved by the Court;

- f. In the event that one or more competing bidders makes a deposit within the time allowed and provides, in the business judgment of the Company, Bost, and Trigild, satisfactory evidence of an ability to close on a purchase of the Assets immediately after any such sale is approved by the Court, Trigild shall conduct an auction of the Assets, with such auction to take place at the law offices of Ellis & Winters LLP, 1100 Crescent Green, Suite 200, Cary, North Carolina, on December 31, 2014 at 10:00 a.m.;
- g. Any competing bidder for the Assets shall submit an overbid in an amount of no less than \$50,000.00 in excess of the Total Consideration (i.e. any competing bidder shall submit a minimum initial overbid of \$4,162,100). Thereafter any subsequent bids shall be required to increase in the minimum bid increment amount of \$50,000.00;
- h. In the event that a competing bidder is the winning bidder at the auction, all proceeds of any winning third party bid shall first go to satisfy the secured claims of Violet and Capital, with any excess amount to be distributed to the unsecured creditors of the Company

34. Buyer, as a demonstration of its good faith, agrees that it shall not be entitled to a break-up fee if another purchaser acquires the Assets, even though Buyer is incurring expenses on behalf of the estate in the process of preparing and filing and serving of this Motion.

35. This Court may authorize a surcharge of the collateral proceeds from the sale of the Assets, as provided for by 11 U.S.C. § 506(c), for the quarterly fee incurred as a result of any sale. No other surcharge of the Assets, pursuant to 11 U.S.C. § 506(c) or otherwise, shall be permitted.

Stipulation and Compromise

36. In conjunction with the negotiations concerning the sale of the Assets, the Company, Bost, Violet, and Capital have agreed to stipulate concerning the validity of Violet's and Capital's liens and the valuation and allowance of the secured claims of Violet and Capital. Specifically, Bost and the Company stipulate to the validity of all liens asserted by Violet and Capital. Violet, Capital, Bost, and the Company further stipulate that the secured indebtedness of the Company to Violet totals \$1,533,175, the secured indebtedness of the Company to Capital totals \$1,322,500, the secured indebtedness of Bost to Violet (excluding indebtedness secured by property other than the Bost Real Property including, without limitation, those obligations secured by the buildings and land appurtenant thereto, located at 2411 Front Street, Beaufort, NC) total \$1,200,000, and that Violet and Capital shall have allowed secured claims in such stipulated amounts. Such stipulation is made without prejudice to Violet and Capital asserting unsecured claims in the event such claims are not waived and without prejudice to Violet asserting claims in Bost's bankruptcy case that are secured by property other than the Bost Real Property including, without limitation, those obligations secured by the buildings and land appurtenant thereto, located at 2411 Front Street, Beaufort, NC.

37. At any auction for the Assets, Buyer (or its designated assigns) shall be allowed to bid and shall be allowed to credit bid its claims up to and including the stipulated

amounts of the secured indebtedness.

38. Bost and the Company shall provide Violet and Capital a full and general release of all claims.

39. Violet and Capital expressly consent to the sale free and clear of their liens on the Assets on the condition that any such sale is subject to the conditions and limitations contained herein. If any creditor claiming a lien, encumbrance, right or interest on, in or against the Assets, or against a buyer of the Assets, does not object within the time allowed, it should be deemed to have consented to sale of the Assets free and clear of its liens, claims, encumbrances, rights, and interests, in accordance with the sale procedures and any subsequent orders of this Court.

40. The sale to Buyer, or any higher bidder, if approved by the Court, is being proposed in good faith, will be in the best interest of the estate, and will be made for a sound business purpose, specifically:

- a. The Company and Bost believe that a sale of the Assets is in the best interests of the estate.
- b. The Company and Bost believe that a proposed sale would provide a fair and reasonable means of obtaining the greatest return on the Assets.

Further, any sale would be conducted in good faith and the Buyer will be a good faith purchaser within the meaning of 11 U.S.C. § 363(m) if it is the ultimate purchaser of the Assets.

WHEREFORE, the Company and Bost pray as follows:

1. The Court enter an immediate Order allowing a sale of the Assets described herein, free and clear of the liens, claims, encumbrances, rights, and interests described

herein.

2. The herein described liens shall attach to the proceeds of sale, if any, subject to the carveouts described above.
3. The proceeds of sale of any over-encumbered property shall be subject to surcharge, pursuant to Section 506(c) or otherwise, only for the quarterly fee incurred as a result of any sale.
4. The Court order that the buyer of the Assets does not assume, have any liability for, or in any manner be responsible for any liabilities or obligations of the Company or Bost, whether *in rem* claims or *in personam* claims, except for any obligations expressly assumed pursuant to the terms of the Designated Contracts.
5. The Court permanently enjoin all creditors and claimants of the Company, and all persons having an interest of any nature derived through the Company, from pursuing any action against the buyer of the Assets or the Assets once acquired by the buyer.
6. To the extent that competitive bidders desire to purchase some or all of the Assets, the Court establish the bid procedures set forth above.
7. Approve the stipulation of the Company, Bost, Violet and Capital concerning the validity of their liens and the allowance of Violet's and Capital's secured claims and concerning the Company's and Bost's general release of all claims against Violet and Capital, with such stipulation being binding on any successors and assigns including, without limitation, any Chapter 11 or Chapter 7 trustee subsequently appointed to administer the bankruptcy estates of the Company or Bost.

Respectfully submitted this the 31st day of October, 2014.

THE SASSER LAW FIRM

/s/ Philip M. Sasser

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SEEN AND AGREED:

/s/ George F. Sanderson III

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/s/ J. Caleb Thomas

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Attorney for Capital Bank



SUMMARY OF INDICATIVE TERMS

This Summary of Indicative Terms (this “Summary of Terms”) is submitted by Violet Portfolio, LLC (“Violet”) and Capital Bank, N.A., on behalf of themselves and any designated assigns (“Capital Bank;” and collectively with Violet and any designated assigns, the “Buyer”) to James H. Bost, Jr., debtor-in-possession in bankruptcy case *In re James Harrington Bost, Jr.*, 14-04769-5-RDD, filed under Chapter 11 of Title 11, United States Code, before the United States Bankruptcy Court for the Eastern District of North Carolina (“Bost”) and Bost Distributing Co., as debtor in the bankruptcy case *In re Bost Distributing Co.*, 14-05495-5-RDD, filed under Chapter 11 of Title 11, United States Code, before the United States Bankruptcy Court for the Eastern District of North Carolina (the “Company”). This Summary of Terms is an indicative summary of terms under which the Buyer would consider: (i) the acquisition, as a going concern, of substantially all of the Company’s assets, (ii) the assumption of certain executory contracts and leases of the Company, and (iii) the acquisition of certain real property owned by Bost and used in connection with the Company’s business, including (1) the buildings and land appurtenant thereto, located at 7819 Siler Glendale Road, Bear Creek, NC; and (2) the buildings and land appurtenant thereto located at 2205 Boone Trail Road, Sanford, NC (the “**Bost Real Property**” and, collectively with the assets of the Company, the “**Assets**”). The contemplated acquisition of the Assets is hereafter referred to as the “**Transaction**.”

Upon mutual agreement that the following reflects the material terms for the Transaction, Buyer’s counsel will prepare a definitive written agreement providing for the Transaction (a “**Definitive Agreement**”). The material terms of the Transaction would be as follows:

1. Buyer would acquire all of the Company’s right, title and interest in the assets, property and rights, tangible and intangible (including goodwill), of the Company’s bankruptcy estate (including, without limitation, all claims and causes of action arising under Chapter 5 of the Bankruptcy Code), and the Bost Real Property including, without limitation, the assumption by the Company and then assignment to Buyer of such executory contracts and personal and real property leases related to the operation of the Company that would be identified in the Definitive Agreement (the “**Designated Contracts**”), for total consideration of not less than and not more than, but equal to \$4,112,100 (the “**Total Consideration**”), with such consideration consisting of a credit against the existing secured indebtedness of the Company to Violet of \$1,533,175, a credit against the existing secured indebtedness of Capital Bank of \$1,322,500, and a credit against the existing secured indebtedness of James H. Bost to Violet of \$1,200,000 (the “**Credit Bid**”), plus cash in the amount of \$56,425, (the “**Cash Bid**”) payable at closing by Violet in immediately available funds.
2. The Credit Bid would be applied to reduce the amount of the secured claims of Violet and Capital Bank, as applicable. In the event that Buyer acquires the Assets, upon (i) entry of an the Sale Confirmation Order (as defined below) and the expiration of any

appeal period for the Sale Confirmation Order and (ii) final transfer of the Assets to Buyer, Violet and Capital Bank would waive and release any remaining claims against the bankruptcy estate of the Company and waive and release any claims arising under guaranty agreements from Bost in favor of Violet or Capital Bank. Any and all obligations of Bost to Violet that are secured by property other than the Bost Real Property including, without limitation, those obligations secured by the buildings and land appurtenant thereto, located at 2411 Front Street, Beaufort, NC, would be expressly excluded from any waivers and releases set forth herein..

3. The Cash Bid would be paid to the bankruptcy estate of the Company for distribution to unsecured creditors of the estate.
4. Obligations arising from Designated Contracts following closing would be assumed; and all other liabilities would be expressly excluded (including any cure costs for pre-petition defaults) and would not be assumed by Buyer. At closing, the Assets would be transferred to the Buyer free and clear of any and all liens, security interests, claims and other encumbrances in accordance with, and with all of the protections afforded by, Section 363 of Title 11 of the United States Code (Title 11 of the United States Code is referred to from time to time as the “Bankruptcy Code”).
5. The consummation of the Transaction by Buyer would be subject to the satisfaction of various conditions, including:
 - a. The negotiation, execution and delivery of the Definitive Agreement by Buyer and the Company;
 - b. The filing of an appropriate motion on or before October 31, 2014, and entry of an order of the Bankruptcy Court on or before November 30, 2014 (the “Procedure Order”) approving the sales procedures to apply at the hearing on the sale of the Assets and the procedures for the assignment and assumption of the Designated Contracts, including, but not limited to, a requirement that any bidder other than Buyer: (A) execute and deliver an asset purchase agreement and other agreements in substantially the same form as the Definitive Agreement and its related agreements and for the same assets as are being purchased in the Definitive Agreement; (B) submit a minimum deposit in the amount of \$50,000.00 two (2) business days prior to the date set for the auction of the Assets, such deposit being fully refundable in the event that the third party bidder is not the winning bidder; (C) submit an overbid with an initial minimum bid price for any overbid in the amount of \$50,000.00 in excess of the Total Consideration and thereafter any subsequent bids would be required to increase in the minimum bid increment amount of \$50,000.00; and (D) requiring that the proceeds of any winning third party bid first go to satisfy the secured claims of

Violet and Capital with any excess amount to be distributed to the unsecured creditors of the Company.

- c. Entry of an order of the Bankruptcy Court approving the sale of the Assets and the assignment and assumption of the Designated Contracts to the Buyer upon the terms and conditions set forth in the Definitive Agreement and providing Buyer with all rights and protections of a good-faith purchaser pursuant to §363 of the Bankruptcy Code (the “Sale Confirmation Order”) and the expiration of any appeal period of the Sale Confirmation Order.
- d. The negotiation, execution and delivery of such licenses and agreements with such third parties as may be designated in the Definitive Agreement for the use of any trademarks or any other intellectual property used in connection with the operation of the Company.
- e. Buyer will have been given an opportunity to conduct a due diligence review of the Company’s books and records and to interview the Company’s management personnel, and key customers and suppliers.
- f. Company will have been and will continue to be operating as a going concern.

6. Buyer, Bost, and the Company will be responsible for and bear all of their respective costs and expenses (including any broker’s or finder’s fees and the expenses of the representatives) incurred at any time in connection with pursuing or consummating the Transaction.
7. In conjunction with entry into the Definitive Agreement, Bost and the Company would stipulate to the validity of all liens asserted by Violet and Capital Bank. Violet, Capital, Bost, and the Company would further stipulate that the secured indebtedness of the Company to Violet is \$1,533,175, the secured indebtedness of the Company to Capital Bank is \$1,322,500, and the secured indebtedness of Bost to Violet related to the obligations secured by the Bost Real Property is \$1,200,000.
8. In conjunction with entry into the Definitive Agreement, Bost and the Company shall provide Violet and Capital Bank a full and general release of all claims.
9. At any auction for the Assets, Buyer (or its designated assigns) shall be allowed to bid and to credit bid its claims up to and including the stipulated amounts of the secured indebtedness.
10. This Summary of Terms is only an expression of interest on behalf of Buyer and is not intended to be legally binding on Buyer, Bost, or the Company and is expressly subject to the execution of an appropriate Definitive Agreement. Except as expressly provided in any binding written agreement that the Parties may enter into in the future, no past or

future action, course of conduct or failure to act relating to the Transaction, or relating to the negotiation of the terms of the Transaction or any Definitive Agreement, will give rise to or serve as a basis for any obligation or other liability on the part of Buyer, Bost or the Company. This term sheet supersedes any prior discussions or agreements, written or oral, between the parties regarding the transactions contemplated by this term sheet.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

In re:

BOST DISTRIBUTING CO.,

Debtor.

)
Case No. 14-05495
(Chapter 11)

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

In re:

JAMES HARRINGTON BOST, JR.,

Debtor.

)
Case No. 14-04769
(Chapter 11)

NOTICE OF MOTION

Bost Distributing Co. and James Harrington Bost, Jr. have filed the attached papers with the Court seeking to Sell Assets Free and Clear of Liens and Other Interests with Liens to Attach to Proceeds Pursuant to 11 U.S.C. § 363, to Establish Bid Procedures, and to Approve Compromise.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one, in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)

If you do not want the Court to grant the requested relief, or if you want the Court to consider your views on the motion, then on or before November 24, 2014, unless otherwise ordered, you or your attorney must file with the Court, pursuant to Local Rule 9001-1 and 9014-1, a written response, an answer explaining your position, and a request for hearing at:

CLERK, U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
150 READE CIRCLE, 1ST FLOOR
GREENVILLE, NC 27858

If you mail your response/objection to the Court for filing, you must mail it early enough so that the Court will receive it on or before the date stated above.

You must also mail a copy to:

Philip Sasser

2000 Regency Parkway, Suite 230

Cary, NC 27518

the bankruptcy administrator and other parties in interest.

If a response and a request for hearing is filed in writing on or before the date set above, a hearing may be conducted at a date and time set by the Court. **If no response and no hearing is requested, the court may grant the relief requested.**

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the motion or objection and may enter an order granting that relief.

This the 31st day of October, 2014.

/s/ Philip M. Sasser

Philip M. Sasser

N.C. State Bar No. 38479

2000 Regency Parkway, Suite 230

Cary, NC 27518

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Fax : (919) 657-7400

Email: psasser@carybankruptcy.com

CERTIFICATE OF SERVICE

I, Philip M. Sasser of THE SASSER LAW FIRM, hereby certify:

That I am, and at all times hereinafter-mentioned was, more than eighteen (18) years of age;

That on the 31st day of October, copies of the foregoing Notice of Motion, and Motion to Sell Assets Free and Clear of Liens and Other Interests with Liens to Attach to Proceeds Pursuant to 11 U.S.C. § 363, to Establish Bid Procedures, and to Approve Compromise was served upon the following parties by the Court's CM/ECF system:

Charles N. Anderson, Jr.
George F. Sanderson III
Lauren A. Golden
Attorneys for Violet Portfolio, LLC

Luis Lluberas
Attorney for Trigild Incorporated

Scott Kirk
Office of the Bankruptcy Administrator

J. Caleb Thomas
Attorney for Capital Bank

and to all other parties receiving notices via the Court's CF/ECF system.

I further certify that I have served a copy of the Notice of Motion and Motion to Sell Assets Free and Clear of Liens and Other Interests with Liens to Attach to Proceeds Pursuant to 11 U.S.C. § 363, to Establish Bid Procedures, and to Approve Compromise on all the parties listed on the attached mailing matrices from both of the above-referenced bankruptcy cases by United States mail, first class, postage prepaid.

I certify under penalty of perjury that the foregoing is true and correct.

This the 31st day of October, 2014.

/s/ Philip M. Sasser
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Label Matrix for local noticing
0417-5
Case 14-05495-5-RDD
Eastern District of North Carolina
Raleigh
Thu Oct 30 15:51:05 EDT 2014

Acme Control Services
Attn: Managing agent
6140 West Higgins Avenue
Chicago, IL 60630-1845

AXA Equitable
Attn: Managing agent
Box 371405
Pittsburgh, PA 15250-7405

Absolute Computers, Inc.
Attn: Managing agent
810 Woodland Avenue
Sanford, NC 27330-5357

Advanced Equipment Company
Attn: Managing agent
102 Commonwealth Court
Cary, NC 27511-4437

Alabama Business Services, LLC
Attn: Managing agent
9154 East Chase Parkway, #155
Montgomery, AL 36117-6883

Alliance Dunbar Sales Co.
Attn: Eddie Andrews
4596 Valleydale Road, Suite 10
Birmingham, AL 35242

Ally Automotive Financing
Attn: Managing Agent/Bankruptcy
PO Box 380901
Minneapolis, MN 55438-0901

Ally Financial
c/o Ally Servicing LLC
P O Box 130424
Roseville, MN 55113-0004

Alma Bost
1217 Cabines Drive
Sanford, NC 27330-8286

American Shipping
Attn: Managing agent
12864 Biscayne Blvd.
Miami, FL 33181-2007

Charles N. Anderson Jr.
Ellis & Winters LLP
PO Box 33550
Raleigh, NC 27636-3550

Applied Products
Attn: Managing agent
N27 W23539 Paul Road
Pewaukee, WI 53072-5790

Artie Cray
Attn: Managing agent
10035 Berry Pond Lane
Mechanicsville, VA 23116-2707

Ball Packaging Corporation
Attn: Managing agent
10 Longs Peak Drive
Broomfield, CO 80021-2510

Bankingport Insurance
Attn: Managing agent
221 South Steele Street
Sanford, NC 27330

Bankruptcy Administrator
Two Hannover Square, Ste. 620
434 Fayetteville Street
Raleigh, NC 27601-1701

Bennett Hardware
Attn: Managing agent
3920 Chatham Street
Eden, NC 27288

Bi-Lo
Attn: Managing agent
1200 Woodruff Road, H-4
Greenville, SC 29607-5787

Blossman
Attn: Managing agent
2221 South Horner Blvd.
Sanford, NC 27330-5861

Blue Cross/Blue Shield of NC
Attn: Managing agent
Post Office Box 2291
Durham, NC 27702-2291

James Bost
Post Office Box 447
Sanford, NC 27331-0447

Bost Distributing Co.
Post Office Box 447
Sanford, NC 27331-0447

Broadway Optimist Club
Attn: Managing Agent
Post Office Box 328
Broadway, NC 27505-0328

Burt Myers
1150 Burch Hill Drive
Kernersville, NC 27284-7965

C&S Wholesale Grocers
Attn: Managing agent
Post Office Box 821
Brattleboro, VT 05302-0821

C&W Wholesale Grocers
Attn: Managing agent
7 Corporate Drive
Keene, NH 03431-5042

C.C. Dickson, Co.
Attn: Managing agent
Post Office Box 13501
Rock Hill, SC 29731-3501

Capital Bank
Attn: John McGahey
9632 Chapel Hill Road
Morrisville, NC 27560-6903

Carolina Analytical, LLC
Attn: Managing agent
17570 NC HWY 902
Bear Creek, NC 27207-9159

Carolina Ingredients, Inc.
Attn: Managing agent
1595 Cedar Line Drive
Rock Hill, SC 29730-7442

Central Carolina Scale
Attn: Managing agent
4901 Farrell Road
Sanford, NC 27330

Central Carolina Security
Attn: Managing agent
1142 N. Horner Blvd.
Sanford, NC 27330-9444

Central Electric Membership Corp
Attn: Managing agent
Post Office Box 1107
Sanford, NC 27331-1107

Century Link
PO Box 4300
Carol Stream, IL 60197-4300

Chart Pool USA, Inc.
Attn: Managing agent
5695 Old Porter Road
Portage, IN 46368-1194

Chatham County Tax Collector
Attn: Managing agent
Post Office Box 697
Pittsboro, NC 27312-0697

Cincinnati Insurance
Attn: Managing agent
Post Office Box 145620
Cincinnati, OH 45250-5620

City of Sanford
Attn: Managing agent
Post Office Box 1070
Charlotte, NC 28201-1070

Cloverleaf Cold Storage
Attn: Managing agent
2800 Cloverleaf Court
Sioux City, IA 51111-1159

Creative Energy Group
Attn: Managing agent
3206 Hanover Road
Johnson City, TN 37604-1462

Crossmark, Inc.
Attn: Managing agent
411 Waverly Oaks Road, Suite 300
Waltham, MA 02452-8401

Crown Cork & Seal
Attn: Managing agent
1440 Payshphere Circle
Chicago, IL 60674-0014

Cruco Mill & Industrial
Attn: Managing agent
111 McNeil Road
Sanford, NC 27330-9451

Dale Keener
Attn: Managing agent
3504 Falls River Avenue
Raleigh, NC 27614-7437

Defense Commissary Agency
Attn: Managing agent
1300 East Avenue
Charlotte, NC 28203-5802

Don Roach
21100 Lagona Drive
Cornelius, NC 28031-7122

Duke Energy Progress
Attn: Managing Agent/Bankruptcy
PO Box 1003
Charlotte, NC 28201-1003

Edict Systems, Inc.
Attn: Managing agent
Post Office Box L-3115
Columbus, OH 43260-0001

Ellis & Winters
Attn: Chuck Anderson
PO Box 33550
Raleigh, NC 27636-3550

Employment Security Commission
PO Box 26504
Raleigh, NC 27611-6504

Estes Express Line
Post Office Box 25612
Richmond, VA 23260-5612

Fastenal Industrial Supplies
Attn: Managing agent
Post Office Box 978
Winona, MN 55987-0978

Fee Transportation Services
Attn: Managing agent
Post Office Box 847576
Dallas, TX 75284-7576

Ferguson Enterprises, Inc.
Attn: Managing Agent
Post Office Box 100286
Atlanta, GA 30384-0286

First Bank
Attn: David Foushee
1333 Plaza Blvd., PO Box 926
Troy, NC 27371-0926

Michael P. Flanagan
Ward and Smith, P.A.
PO Box 8088
Greenville, NC 27835-8088

Floyd C. Spencer
8341 Carneal Lane
Mechanicsville, VA 23111-1813

Furmano Foods
Attn: Managing agent
770 Cannery Road, Suite A
Northumberland, PA 17857-8615

Gains Oil Company
Attn: Managing agent
Post Office Box 421
Goldston, NC 27252-0421

Lauren A. Golden
Ellis & Winters LLP
PO Box 33550
Raleigh, NC 27636-3550

H&H Auto Parts
Attn: Managing agent
Post Office Box 758
Sanford, NC 27331-0758

Haddonfield Food, Inc.
Attn: Managing agent
Post Office Box 1153
Haddonfield, NJ 08033-0674

Harlow-HRK Sales & Marketing, Inc.
Attn: Managing agent
2620 Keenan Avenue
Dayton, OH 45414-4910

Holland Sales, Inc.
Attn: Managing agent
Post Office Box 953037
Lake Mary, FL 32795-3037

Hollar & Green Produce Co., Inc.
Attn: Dale Freen
230 Cabbage Row
Boone, NC 28607-6020

Hunt Electric Supply Company
Attn: Managing Agent
Post Office Drawer 2440
Burlington, NC 27216-2440

INTERNAL REVENUE SERVICE
PO BOX 7346
PHILADELPHIA PA 19101-7346

Imaging Supplies Co., Inc.
Attn: Managing agent
804 Woodland Avenue
Sanford, NC 27330-5357

Intellectual Property Consulting
Attn: Russell Parr
1004 Buckingham Way
Morrisville, PA 19067-1016

Internal Rev Serv
Attn: Insolvency Alamance
Building, Mail Stop 9
4905 Koger Boulevard
Greensboro, NC 27407-2734

(p) INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY OPERATIONS
PO BOX 7346
PHILADELPHIA PA 19101-7346

International Imaging Materials, In
Attn: Managing agent
3198 Momentum Place
Chicago, IL 60689-5331

J&A Sales
Attn: Managing agent
1152 Flint Hill Road
East Bend, NC 27018

J. Brent Smith Construction, Inc.
Attn: Managing agent
455 Charles Riddle Road
Sanford, NC 27330-9618

James H. Bost, Jr.
2205 Boone Trail Road
Sanford, NC 27330-8641

Jason's Foods
Attn: Andrew Wink
208 East Helen Road
Palatine, IL 60067-6955

Jerome & Tiffany Davis
6272 Cedar Square Road
High Point, NC 27263-8229

Jerome & Tiffany Davis
Attn: Managing agent
6272 Cedar Square Road
High Point, NC 27263-8229

Joe Moore & Co., Inc.
Attn: Managing agent
Post Office Box 6531
Raleigh, NC 27628-6531

Julian Water Technology Services
Attn: Managing agent
Post Office Box 743
Mullins, SC 29574-0743

KFM, Inc.
Attn: Managing agent
Post Office Box 278
North Lake, WI 53064-0278

Christopher Scott Kirk
Office of the Bankruptcy Administrator
434 Fayetteville Street, Suite 640
Raleigh, NC 27601-1888

Label Printing Systems, Inc.
Attn: Managing agent
Post Office Box 1056
Clemmons, NC 27012-1056

Landry CFO Services, LLC
5913 Tarleton Drive
Oak Ridge, NC 27310-9106

Lee Builder Mart, Inc.
Attn: Managing agent
1000 North Horner Boulevard
Sanford, NC 27330-9401

Lee County High School
Attn: Managing agent
Post Office Box 2421
Sanford, NC 27331-2421

Lee County Public Schools
106 Gordon Street
PO Box 1010
Sanford, NC 27331-1010

Lee County Tax Collector
Attn: Managing agent
Post Office Box 1968
Sanford, NC 27331-1968

Luis M. Lluberas
Moore & Van Allen PLLC
100 N. Tryon Street, Suite 4700
Charlotte, NC 28202-4003

M.G. Newell Corporation
Attn: Managing agent
Post Office Box 60140
Charlotte, NC 28260-0140

MECO, Inc.
Attn: Kevin Kirpes
31750 Bellevue Cascade Road
Bellevue, IA 52031-9157

Marshall Sales
Attn: Managing agent
5924 Thorndale Drive
Kent, OH 44240-4817

McLain Foods
Attn: Managing Agent
100 2nd Ave., Suite 202
Saint Petersburg, FL 33701-3338

McNeil Paint & Decorating
Attn: Managing agent
824 Woodland Avenue
Sanford, NC 27330-5397

Meat Commodities, Inc.
Attn: Managing agent
Post Office Box 534370
Atlanta, GA 30353-4370

Microbac Laboratories
Attn: Managing agent
101 Bellevue Road, Suite 301
Pittsburgh, PA 15229-2132

Moore & Van Allen, PLLC
Attn: Luis Lluberas
100 North Tryon Street, Suite 4700
Charlotte, NC 28202-4003

Morrisette Paper Co.
Attn: Managing agent
Post Office Box 890982
Charlotte, NC 28289-0982

Morrison & Associates, PA
Attn: Mike Morrison
1401 Winchester Avenue
Ashland, KY 41101-7587

Mullins Sherman Architects
Attn: Managing agent
1503 Old Carbonton Road
Sanford, NC 27330-8288

NC Department of Labor
Attn: Managing Agent
1101 Mail Service Center
Raleigh, NC 27699-1101

NC Department of Revenue
Office Services Div., Bankruptcy Unit
PO Box 1168
Raleigh, NC 27602-1168

NC Department of Revenue
Attn: Angela C. Fountain, BK MGR.
Post Office Box 1168
Raleigh, NC 27602-1168

NC Quick Pass
Attn: Managing Agent/Bankruptcy
200 Sorrell Grove Church Rd, Ste A
Morrisville, NC 27560-9543

Newlyweds Foods
Attn: Managing agent
Lock Box 6327
Chicago, IL 60680-6327

Northern Bue, LLP
Attn: Managing Agent/Bankruptcy
1414 Raleigh Road, Suite 435
Chapel Hill, NC 27517-8834

Nunnerys Grease Trap Services
Attn: Managing agent
91 Durgin Springs Road
Chapel Hill, NC 27517

Old Dominion Freight Line
Attn: Managing Agent
PO Box 198475
Atlanta, GA 30384-8475

Olde South Diesel Truck Repair
3906 Lee Avenue
Sanford, NC 27332-8498

On-Shelf Marketing Group, LLC
Attn: Managing agent
941 Matthews Mint Hill Road
Matthews, NC 28105-1777

Package Craft, LLC
Attn: Managing agent
Post Office Box 198259
Atlanta, GA 30384-8259

Packaging Corp. of America
Attn: Managing agent
2313 N. William Street
Goldsboro, NC 27530-1441

Palmetto Adhesives & Packaging
Attn: Managing agent
Post Office Box 2758
Greenville, SC 29602-2758

Paris Food Corporation
Attn: Managing agent
Post Office Box 121
Trappe, MD 21673-0121

Parker Poe
Attn: J. Caleb Thomas
150 Fayetteville Street, Suite 1400
Raleigh, NC 27601-2956

Perry Brothers Tire Service
Attn: Managing agent
Post Office Box 968
Sanford, NC 27331-0968

Pet Dairy
Attn: Managing agent
Post Office Box 60498
Charlotte, NC 28260-0498

Phil Stone
340 Branch Road
Sanford, NC 27330-0397

Pneumatic Scale
Attn: Managing agent
25237 Network Place
Chicago, IL 60673-1252

Praxair Distribution, Inc.
Attn: Managing agent
Post Office Box 120812, Dept. 081
Dallas, TX 75312-0812

R&A Oyster Company
Attn: Managing agent
9155 Little River Road
Bayou La Batre, AL 36509-2205

R.T.S. Technology
Attn: Managing agent
520 Pyrant Road
Sanford, NC 27330-7049

Randolph Boiler & Mechanical, Inc.
Attn: Managing agent
152 Pointe South Drive
Randleman, NC 27317-9520

Randolph Electric
Attn: Managing agent
Post Office Box 880
Robbins, NC 27325-0880

Randolph Telephone
Attn: Managing agent
3733 Old Cox Road
Asheboro, NC 27205-9400

Randy Cheek Septic Tank Plumbing
Attn: Managing agent
7748 Lanes Mill Road
Bennett, NC 27208-8213

Rebecca Floyd
243 Back Creek Terrace
Asheboro, NC 27205-2309

Remac Corp. / McClancy Seasoning Co
Attn: Managing agent
Dept. 420, Post Office Box 100199
Columbia, SC 29202-3199

Sabal Financial Group, L.P.
Attn: Managing Agent/Bankruptcy
465 North Halstead, Suite 105
Pasadena, CA 91107-3144

Sam's Club
Attn: Managing Agent
Post Office Box 981400
El Paso, TX 79998-1400

George F. Sanderson
Ellis & Winters LLP
PO Box 33550
Raleigh, NC 27636-3550

Sandhills Overhead Door, LTD
Attn: Managing agent
2811 Lee Avenue
Sanford, NC 27332-6205

Sandifer and Company
Attn: Managing agent
601 Wickfield Drive
Louisville, KY 40245-4092

Sandra Wilson
Post Office Box 2133
Sanford, NC 27331-2133

Sanford Area Chamber of Commerce
Attn: Managing agent
229 Carthage Street
Sanford, NC 27330-4204

Travis Sasser
2000 Regency Parkway, Suite 230
Cary, NC 27518-8508

Sellethics
Attn: Terry Peters
941 Matthews Mint Hill Road
Matthews, NC 28105-1615

Smiths Coffee & Bottled Water
Attn: Managing agent
Post Office Box 845
Pittsboro, NC 27312-0845

Smyth Companies, Inc.
Attn: Managing agent
Post Office Box 1450
Minneapolis, MN 55485-1450

Southeastern Paper Group
Attn: Managing agent
Post Office Box 330
Browns Summit, NC 27214-0330

Southern Family Markets, LLC
Attn: Managing agent
7 Corporate Drive
Keene, NH 03431-5042

Squarmilner
Attn: Managing agent
4100 Newport Place, Suite 300
Newport Beach, CA 92660-1400

Sunny Seafoods, Inc.
Attn: Managing agent
11-13 Sunflower Avenue
Paramus, NJ 07652-3756

Swift Transportation
Attn: Managing Agent
Post Office Box 643985
Pittsburgh, PA 15264-3985

Tarheel Paper
Attn: Managing agent
3200 Centre Park Blvd.
Winston Salem, NC 27107-4568

The Finley Group
Southpark Towers
6100 Fairview Road, Suite 1220
Charlotte, NC 28210-4267

The Oaks Apartments
160 Peaceful Lane
Sanford, NC 27330-1025

The Sigmon Law Firm
Attn: Managing Agent/Bankruptcy
PO Box 17249
Raleigh, NC 27619-7249

J. Caleb Thomas
Parker Poe Adams & Bernstein LLP
PO Box 389
Raleigh, NC 27602-0389

Thomco, Inc.
Attn: Managing agent
4000-N Spring Garden Street
Greensboro, NC 27407-1601

Tom Densmore
Attn: Managing agent
9818 Mid Pines Court
Montgomery, AL 36117-5147

Tom Koch & Associates
Attn: Managing agent
505 Fryer Drive, N.E.
Marietta, GA 30060-1409

Tommy Estridge
1519 Winfred Brady
Sanford, NC 27330

Trigild Incorporated
Attn: Managing agent
9339 Genesee Avenue, #130
San Diego, CA 92121-2120

Triple J Limited Partnership
Attn: Managing agent
2127 Boome Trail Road
Sanford, NC 27330-8640

US Attorney
310 New Bern Avenue, Suite 800
Federal Building
Raleigh, NC 27601-1461

US Food Service
Attn: Managing agent
Post Office Box 1248
Zebulon, NC 27597-1248

USDA Food Safety & Inspection Serv.
Attn: Managing agent
Post Office Box 979001
Saint Louis, MO 63197-9001

USDA PACA
Attn: Managing agent
Post Office Box 790327
Saint Louis, MO 63179-0327

Unifirst Corporation
Attn: Managing agent
526 Piney Grove
Kernersville, NC 27284-2518

United Parcel Service
Attn: Managing agent
Post Office Box 7247-0244
Philadelphia, PA 19170-0001

Verizon Wireless Bankruptcy Admin
Attn: Managing agent
Post Office Box 660108
Dallas, TX 75266-0108

Violet Portfolio
2711 Centerville Road, Suite 400
Wilmington, DE 19808-1645

Ward & Smith, P.A.
Attn: Managing Agent
Post Office Box 867
New Bern, NC 28563-0867

Waste Management
Attn: Managing agent
Post Office Box 105453
Atlanta, GA 30348-5453

Welsh Corrugated Container, LLC
Attn: Managing agent
201 Industrial Drive
Butner, NC 27509-2511

Whitehall Specialties
Attn: Managing agent
36120 Owens Street
Whitehall, WI 54773-8462

Wilson Brothers
Attn: Managing agent
20412 NC HWY 902
Louisville, KY 40290-1908

Windstream of North Carolina
Attn: Managing agent
Post Office Box 9001908
Louisville, KY 40290-1908

Wood Brothers
Attn: Managing agent
Post Office Box 4348
West Columbia, SC 29171-4348

Zenith Insurance Company
Attn: Managing agent
4415 Collections Center Drive
Chicago, IL 60693-0044

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

Internal Revenue Service
Insolvency Support Services
320 Federal Place, Room 335
Greensboro, NC 27401

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u) Bankruptcy Administrator

(u) Capital Bank

(d) Internal Revenue Service
Centralized Insolvency Operations
P.O. Box 7346
Philadelphia, PA 19101-7346

(u) Trigild Incorporated

(u) Violet Portfolio, LLC

(u) Ward and Smith, P.A.

End of Label Matrix

Mailable recipients 171

Bypassed recipients 6

Total 177